

CHAIR'S STATEMENT

IT'S BEEN ANOTHER YEAR OF PROGRESS AND GLOBAL EXPANSION



With rising audience numbers and growing market share in the U.S., we are uniquely positioned to capitalise on the growing digital advertising market and deliver sustained value to our stakeholders.

Dave Wilson
Chair

LBG has come a long way from the organisation that joined the public markets in 2021, and I am immensely proud of the incredible work our team has done to shape the present-day business. The past nine-months have been another period marked by strong financial performance, further embedding our footprint in the U.S. and strengthening our line of sight to £200m of revenue. Underpinning the success of our business model is our highly engaged audience. This audience grew by 19% in the 12 month proforma period ended 30 September 2024, to 503m, as rising audience numbers, alongside key sporting and cultural event campaigns, confirm our position as one of the 'go-to' digital entertainment brands for young adults.

We remain extremely well positioned to capture the opportunity ahead of us as the macro shift towards digital advertising continues and the purchasing power of Gen Z expands. As a digital advertiser focused on young adults, LBG is direct beneficiary of these macro trends, and this is evident in our financial performance, and future opportunity, as we look to enhance value for our shareholders and stakeholders alike.

Our progress

In the 9 months ended 30 September 2024, LBG made significant progress focusing on three key growth lenses: Direct, Indirect, and U.S. expansion, with the latter supplementing growth across both Direct and Indirect operations.

During this period, the Group delivered revenue of £64.9m, adjusted EBITDA reached £16.9m, while profit before tax increased to £12.1m. For the unaudited proforma 12 months ended 30 September 2024, the Group reported revenue of £86.2m, up 22% compared to the same prior period. On an unaudited 12-month proforma basis, adjusted EBITDA rose to £24.5m, an increase of 16%, and profit before tax grew 32% to £14.5m.

Direct revenue, which is where we provide content marketing services to blue-chip brands and media agencies, accounted for over 50% of total Group revenue in the 9 months ended 30 September 2024 with the impressive growth driven by an expanding client base, deeper relationships with existing partners and the acquisition of Betches in October 2023. Direct brief conversion of 29% and 74% repeat client revenue in the 12-month period to 30 September 2024 also highlights the confidence our partners have in our ability to deliver targeted and unique campaigns that drive meaningful penetration and results.

Our Indirect business is where we generate revenue on social platforms and from our owned and operated websites. We have expanded our Web capabilities by investing in people and technology that have enhanced our web programmatic offering, resulting in a significant increase in both sessions and yields during the period. Social revenues were temporarily impacted by the Facebook commercial model change in calendar Q3 but, as with previous platform changes, we were



able to adapt quickly and saw a return to normalised levels on exiting Q1 FY25. This gives us confidence and positive momentum for the remainder of the new year ahead.

We also saw significant progress in the U.S. market where we successfully integrated the LBG and Betches commercial teams in the first half of the period, resulting in several major wins that are a testament to the complementary nature of our operations. Partnerships with global brands like The Boston Beer Company, NYX Cosmetics, and White Castle illustrate the growing demand for access to our vast audience and top-tier capabilities in the U.S. market.

Change in reporting year-end

As announced on 24 July 2024, we have adopted 30 September as our accounting year-end. In this transitional reporting period we are required to present the statutory statements as the 9 months ending 30 September 2024 in comparison to the 12 months ending 31 December 2023. However, we appreciate that it is difficult for the reader to understand the underlying performance of the business on this basis, therefore this Annual Report and Accounts includes an unaudited proforma consolidated statement of comprehensive income as supplementary information, providing insight into the Group's performance

on an annualised basis for the 12 months ending 30 September 2024 in comparison to the 12 months ending 30 September 2023.

This unaudited proforma information, sourced from the Group's management accounts for the two comparative periods, does not form part of the audited financial statements. Additional notes, including segmental analysis, key assumptions, and reconciliations to the reported financial statements, are detailed on pages 27 to 29.

Board changes

LBG announced on 6 January 2025 that Richard Flint has stepped down from his non-executive role on the Board, effective 31 December 2024. I would like to express my gratitude to Richard for his valuable contributions and guidance during his tenure, particularly in helping to shape the Group's strategic direction. The Board wishes him the very best in his future endeavours.

Social responsibility and governance

We take immense pride in the significant work we do to support meaningful causes and drive positive change. Our commitment to being a socially responsible organisation is rooted in our ability to engage with our audience, empowering them by fostering communities that laugh, think, and act.

This engagement is a fundamental enabler of our success, and we are dedicated to remaining true to these core values in the years ahead.

Outlook

Finally, none of the progress made this period would have been possible without the dedication and hard work of our people. On behalf of the Board, I want to thank every member of the LBG team for their commitment and effort throughout the period - it has not gone unnoticed. I would also like to extend my gratitude to the brands we work with, our global audience and our shareholders for their continued support and trust.

As we look ahead to the opportunities and challenges of the coming year, I remain confident that we present a unique and highly differentiated proposition within the market. We capture the eyes and ears of a highly sought-after demographic for marketers, and in the complex, digital media landscape, the detailed understanding we have of this audience provides a strong foundation for long-term growth and the delivery of sustained shareholder value.

Dave Wilson
Chair

21 January 2025